

# CRAVATH, SWAINE & MOORE

RECORDATION NO. 1 5375/B

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INTERSTATE COMMERCE COMMISSION

1 5375/A

RECORDATION NO. 1 5375

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INTERSTATE COMMERCE COMMISSION

INTERSTATE COMMERCE COMMISSION

ICC Washington, D. C.

November 11, 1987

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RECORDATION NO. 1 5375

NOV 12 1987 - 12 40 PM

INTERSTATE COMMERCE COMMISSION

NOV 12 1987 - 12 40 PM

INTERSTATE COMMERCE COMMISSION

Floating Rate Secured Notes  
Due February 1, 1992

Dear Ms. McGee:

Pursuant to 49 U.S.C. § 11303 and the Commission's rules and regulations thereunder, as amended, I enclose herewith on behalf of Northwestern Oklahoma Railroad Company, for filing and recordation counterparts of the following documents:

1. Security Agreement dated as of October 26, 1987, between William J. Condren, as Owner, and Citibank, N.A., as Secured Party.

2.(a) Master Agreement dated as of September 1, 1987, among Weyerhaeuser Canada Ltd., as WeyCan, Weyerhaeuser Company, as Guarantor and William J. Condren, as Lessor.

(b) Assignment of Master Agreement and Agreement dated as of October 26, 1987, by and between William J. Condren, as Owner, and Citibank, N.A., as Assignee.

3.(a) Lease of Railroad Agreement dated as of September 1, 1987, between William J. Condren, as Lessor, and Northwestern Oklahoma Railroad Co., as Lessee.

1100 OFFICE OF THE SECRETARY

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1100 OFFICE OF THE SECRETARY

*Handwritten signature: W. J. Condren*

(b) Assignment of Lease and Agreement dated as of October 26, 1987, by and between William J. Condren, as Owner, and Citibank, N.A., as Assignee.

The names and addresses of the parties to the aforementioned agreements are as follows:

1. Owner-Lessor

William J. Condren  
450 Park Avenue  
New York, New York 10022

2. Secured Party - Assignee

Citibank, N.A.  
153 East 53rd Street  
New York, N.Y. 10043

3. WeyCan

Weyerhaeuser Canada Ltd.  
Mission Flats Road  
Kamloops, British Columbia V2C 5M7  
CANADA

4. Guarantor

Weyerhaeuser Company  
Tacoma, WA 98447

5. Lessee

Northwestern Oklahoma  
Railroad Company  
125 East Lake Street  
Bloomington, Illinois 60108

Please file and record the documents referred to in this letter and index them under the names of Owner-Lessor, Secured Party-Assignee, WeyCan, Guarantor and Lessee.

The Cars covered by the Security Agreement and the Lease are listed in Exhibit A attached hereto.

Enclosed is our check for \$30 for the required recordation fee. Please accept for recordation one counter-part of each of the enclosed agreements, stamp the remaining

counterparts with your recordation number and return them to the delivering messenger along with your fee receipt, addressed to the undersigned.

Very truly yours,

*Laurance V. Goodrich*

Laurance V. Goodrich  
as Agent for  
Northwestern Oklahoma  
Railroad Company

Noreta R. McGee, Secretary,  
Interstate Commerce Commission,  
Washington, D.C. 20423

encls.

## EXHIBIT A

Schedule A  
to  
Security Agreement

## EQUIPMENT SCHEDULE

<u>Number of Cars</u>	<u>Description</u>	<u>AAR Designation</u>	<u>Car Markings (inclusive)</u>
100	73-foot 100-ton Center Beam Thrall Flatcars	FBS	NOKL 8200-8299

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INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE AND AGREEMENT dated as of October 26, 1987 ("Assignment"), by and between WILLIAM J. CONDREN ("Owner") and CITIBANK, N.A. ("Assignee").

WHEREAS the Owner and Northwestern Oklahoma Railroad Co. ("Lessee") have entered into a Lease of Railroad Equipment ("Lease") dated as of September 1, 1987, providing for the leasing by the Owner of the units of equipment ("Units") described in the Schedule to the Lease;

WHEREAS the Owner is entering into a Security Agreement dated as of the date hereof ("Security Agreement") with the Assignee; and

WHEREAS the Owner is entering into a Loan Agreement ("Loan Agreement") dated as of the date hereof with the Assignee, and as an inducement to the Assignee to invest in the Notes (as defined in the Loan Agreement), the Owner agrees to assign for security purposes, to the extent herein provided, its rights in, to and under the Lease to the Assignee.

NOW, THEREFORE, in consideration of the premises and of the payments to be made and the covenants hereinafter mentioned to be kept and performed, the parties hereto agree as follows:

1. The Owner hereby assigns, transfers and sets over unto the Assignee, as collateral security for the due and punctual payment of the principal of, premium, if any, and interest on the Notes and the Consolidation Obligation (as defined in the Security Agreement) and the performance and observance by the Owner of his covenants for the benefit of the Assignee contained in the Loan Agreement, the Consolidation Agreement (as defined in the Security Agreement) and the Security Agreement, all the Owner's right, title and interest, powers, privileges and other benefits under the Lease, including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Owner from the Lessee or otherwise under or pursuant to the provisions of the Lease, whether as rent, casualty payment, indemnity, liquidated damages, or otherwise (such moneys so assigned being hereinafter called the "Payments"), and the right to make all waivers and agreements, to give all notices, consents and

releases, to take all action upon the happening of an Event of Default specified in the Lease, and to do any and all other things whatsoever which the Owner is or may become entitled to do under the Lease. In furtherance of the foregoing assignment, the Owner hereby irrevocably authorizes and empowers the Assignee in its own name, or in the name of its nominee, or in the name of the Owner or as its attorney, to ask, demand, sue for, collect and receive any and all Payments to which the Owner is or may become entitled under the Lease and to enforce compliance by the Lessee with all the terms and provisions thereof.

The Assignee agrees to accept any Payments made by the Lessee for the account of the Owner pursuant to the Lease. To the extent received, the Assignee will apply such Payments to satisfy the obligations of the Owner under the Notes and the Consolidation Obligation, the Loan Agreement, the Consolidation Agreement and the Security Agreement, all as provided in the Security Agreement, and any balance shall be promptly paid, subject to the provisions of the Security Agreement, so long as no event of default or event which with the lapse of time or notice or both would constitute an event of default under the Security Agreement shall have occurred and be continuing, to the Owner by wire transfer of immediately available funds at such address as may be specified to the Assignee in writing, or if no such address is specified, by check promptly mailed to the Owner and such balance shall be retained by the Owner; provided, however, that if an event of default or event which with the lapse of time or notice or both would constitute an event of default under the Security Agreement shall have occurred and be continuing, no portion of any such Payments shall be paid to the Owner. The Assignee shall notify the Owner at its address set forth in the Lease of any notice delivered by the Assignee pursuant to the Lease; provided, however, that the failure of the Assignee so to notify the Owner shall not affect the obligations of the Owner hereunder or under the Notes, the Loan Agreement or the Security Agreement.

2. This Assignment is executed only as security and shall not subject the Assignee to, or transfer, pass, or in any way affect or modify, the liability of the Owner under the Lease, it being agreed that notwithstanding this Assignment all obligations of the Owner to the Lessee shall be and remain enforceable by the Lessee against, and only against, the Owner or persons other than the Assignee.

3. Without the written consent of the Assignee, the Owner will not anticipate the rents under the Lease or waive or in any manner release the Lessee of or from the obligations, conditions and agreements to be performed by the Lessee, including, without limitation, the obligation to pay the rents in the manner and at the time and place specified therein, or enter into any agreement amending, modifying or terminating the Lease, and the Owner agrees that any amendment, modification or termination thereof without such consent shall be void.

4. The Owner does hereby constitute the Assignee the Owner's true and lawful attorney, irrevocably, with full power (in the name of the Owner, or otherwise), to demand, receive and give acquittance for any and all Payments due and to become due under or arising out of the Lease to which the Owner is or may become entitled, to enforce compliance by the Lessee with all the terms and provisions of the Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which to the Assignee may seem to be necessary or advisable in the premises.

5. Upon the full discharge and satisfaction of all sums due from the Owner under the Notes, the Consolidation Obligation, the Loan Agreement, the Consolidation Agreement and the Security Agreement, this Assignment and all rights herein assigned to the Assignee shall terminate, and all estate, right, title and interest of the Assignee in and to the Lease shall revert to the Owner.

6. The Owner will pay or discharge any and all claims, liens, charges or security interests (other than those created by the Security Agreement and this Assignment) on the Lease or the rentals or other payments due or to become due thereunder claimed by any party from, through or under the Owner which the Lessee is not required by the Lease to discharge which, if unpaid, might become a claim, lien, charge or security interest on or with respect to the Lease or such rentals or other payments, unless the Owner shall be contesting the same in good faith by appropriate proceedings in any reasonable manner and the nonpayment thereof does not adversely affect the interests of the Assignee.

7. The Owner will, from time to time, execute, acknowledge and deliver any and all further instruments reasonably requested by the Assignee in order to confirm or further assure the interest of the Assignee hereunder.

8. The Assignee may assign all or any of the rights assigned to it hereby or arising under the Lease, including, without limitation, the right to receive any Payments due or to become due. In the event of any such assignment, any such assignee shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Assignee hereunder. The Assignee will give written notice to the Owner and the Lessee of any such assignment.

9. This Assignment shall be governed by the laws of the State of New York.

10. The Owner shall cause copies of all notices received in connection with the Lease and all Payments received by it thereunder to be promptly delivered or made to the Assignee at its address set forth in Schedule I to the Note Purchase Agreement or at such other address as the Assignee shall designate.

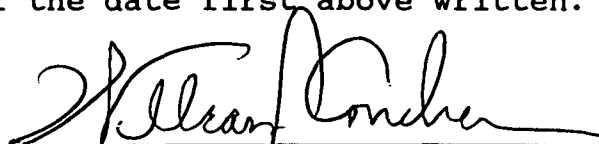
11. The Assignee hereby agrees with the Owner that, so long as no event of default or event which with the lapse of time or notice or both would constitute an event of default under the Security Agreement has occurred and is then continuing, the Assignee will not exercise or enforce, or seek to exercise or enforce, or avail itself of, any of the rights, powers, privileges, authorizations or benefits assigned and transferred by the Owner to the Assignee by this Assignment, except the right to receive and apply the Payments as provided in § 1 hereof, and that, subject to the terms of the Lease and the Security Agreement, the Owner may, so long as no such event of default or event which with the lapse of time or notice or both would constitute an event of default under the Security Agreement has occurred and is then continuing, exercise or enforce, or avail itself of, all such rights, powers, privileges, authorizations and benefits, except as aforesaid, and may exercise or enforce, or seek to exercise or enforce, its rights, powers, privileges and remedies arising out of the Lease. If the Lease is terminated by the Owner, the Owner will not enter into a new lease of the Units except with a lessee which is reasonably acceptable to the Assignee and such new lease is subjected to an assignment substantially the same as this Assignment.

12. This Assignment may be executed in any number of counterparts, all of which together shall constitute a single instrument. It shall not be necessary that any counterpart be signed by both parties so long as each party



shall sign at least one counterpart and deliver it to the other party.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment as of the date first above written.

  
\_\_\_\_\_  
William J. Condren

CITIBANK, N.A.,

by   
\_\_\_\_\_  
Title: *Vice - Pres.*

## LESSEE'S CONSENT AND AGREEMENT

The undersigned, Northwestern Oklahoma Railroad Co. ("Lessee"), the lessee named in the Lease Agreement ("Lease") referred to in the foregoing Assignment of Lease and Agreement ("Assignment"), hereby (a) acknowledges receipt of a copy of the Assignment and (b) consents to all the terms and conditions of the Assignment and agrees that:

(1) the Lessee will pay all Payments (as defined in the Assignment) due and to become due under the Lease by transfer of immediately available funds directly to or for the account of CITIBANK, N.A., ("Assignee") at 153 East 53rd Street, New York, N.Y. 10043, Account No. 37993042 ("William J. Condren Equipment Account"), by 11:00 a.m., New York City time, on the dates such Payments are due, each such payment to be accompanied by sufficient information to identify the source of payment of such funds (or by such other method or at such other place of payment as may be furnished in writing to the Lessee by the Assignee);

(2) the Assignee shall be entitled to the benefits of, and to receive and enforce performance of, all the covenants to be performed by the Lessee under the Lease as though the Assignee were named therein as the Owner, and the Lessee will not assert against the Assignee any claim or defense the Lessee may have against the Owner under the Lease;

(3) the Assignee shall not, by virtue of the Assignment or this Consent and Agreement, be or become subject to any liability or obligation under the Lease or otherwise;

(4) the Lease shall not, without the prior written consent of the Assignee, be amended, terminated or modified;

(5) the Lessee will follow any written instructions of the Assignee pursuant to the third paragraph of Section 1 of the Assignment until such instructions are revoked or modified by the Assignee pursuant to such paragraph; and

(6) the Lessee will mail or deliver one copy of all notices, statements, documents or schedules given

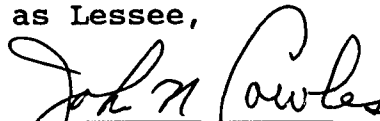
or delivered by it pursuant to the Lease or the Assignment to the Assignee.

This Consent and Agreement shall be governed by and construed in accordance with the laws of the State of New York.

Dated as of October 26, 1987

NORTHWESTERN OKLAHOMA RAILROAD  
CO., as Lessee,

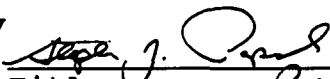
by

  
Title: PRESIDENT

The foregoing Consent and Agreement is hereby accepted, as of October 26, 1987.

CITIBANK, N.A.

by

  
Title: Vice-Pres.

STATE OF NEW YORK       )  
                                  )  
COUNTY OF NEW YORK     )   ss.:

On this 10<sup>th</sup> day of November 1987, before me personally appeared WILLIAM J. CONDREN, to me personally known, who, being by me duly sworn, says that he executed the foregoing instrument for the consideration and purposes therein expressed.

Caryn W. Sherman  
Notary Public

[Notarial Seal]

My Commission expires   CARYN W. SHERMAN  
NOTARY PUBLIC, State of New York  
No. 31-4633991  
Qualified in New York County  
Commission Expires ~~March 30, 1988~~  
Aug 31, 1988 CWS

STATE OF NEW YORK, )  
                                  )  
COUNTY OF NEW YORK,)   ss.:

On this 10<sup>th</sup> day of November 1987, before me personally appeared Stephen J. Papush, to me personally known, who, being by me duly sworn, says that he is a One Pres. of CITIBANK, N.A. that one of the seals affixed to the foregoing instrument is the seal of said National Banking Association and that said instrument was signed and sealed on behalf of said National Banking Association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said National Banking Association.

Caryn W. Sherman  
Notary Public

[Notarial Seal]

My Commission expires   CARYN W. SHERMAN  
NOTARY PUBLIC, State of New York  
No. 31-4633991  
Qualified in New York County  
Commission Expires ~~March 30, 1988~~  
Aug 31, 1988 CWS